

FILED

Clerk
District Court

MAY 31 2024

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN MARIANA ISLANDS
BANKRUPTCY DIVISION

for the Northern Mariana Islands
By 
(Deputy Clerk)

In re

CASE NO. 1:24-bk-00002

IMPERIAL PACIFIC
INTERNATIONAL (CNMI), LLC,

Debtor and
Debtor-in-Possession.

ORDER

Clear Management Ltd. (“Clear”) was previously appointed as the limited receiver in two civil actions against the Debtor and Debtor-in-Possession. *Gray v. Imperial Pacific International (CNMI), LLC* (“Gray,” 1:19-cv-00008) and *U.S.A. Fanter Corp., Ltd. v. Imperial Pacific International (CNMI), LLC* (“Fanter,” 1:21-cv-00035). The Bankruptcy Code defines custodian as a “receiver or trustee of any of the property of the debtor, appointed in a case or proceeding not under this title[.]” 11 U.S.C. § 101(11)(A). Therefore, Clear is also a custodian in this bankruptcy proceeding.


Judgment creditors Gray and Fanter filed a motion for relief from stay (Motion, ECF No. 48). In their motion, they recognized Clear’s need to determine the applicability of 11 U.S.C. § 543(d). (Mot. 3 n.1.) In denying the Motion, the Court ruled that the Personal Property subject to the *Gray* and *Fanter* limited receiverships are in fact property of the bankruptcy estate. Based on this legal ruling, and Clear’s status as a custodian, Clear needs to comply with 11 U.S.C. § 543(b), which dictates the turnover of Debtor’s property and the filing of an accounting of property by a custodian.

1 Shortly prior to the filing of the voluntary bankruptcy petition, Clear conducted an auction
2 of Debtor's vehicles. At the hearing, Clear reported several successful bidders tendered payment for
3 such vehicles, but have not received title or possession of the vehicles due to the Receivership
4 Orders' requirement for court approval. Clear also sought excuse from compliance with § 543(b)
5 due to its perceived ambiguity of the status of the Personal Property.
6

7 For cause shown, the Court temporarily excuses Clear for its non-compliance with § 543(b)
8 from the period of the filing of the petition. However, the Court directs Clear to § 543(d), which
9 requires notice and a hearing for the basis to excuse compliance. Clear's oral statements made at the
10 hearing are inadequate; Clear is directed to file a written motion **by June 7, 2024**. Clear's temporary
11 excuse will expire on June 8, 2024, if Clear fails to file a written motion. If Clear files a written
12 motion, the temporary excuse will continue until the Court adjudicates Clear's motion.
13

14 Because the Court needs to determine Clear's duties and role as the custodian of Debtor's
15 Personal Property, the Court will not address at this time the possible renewed motion by judgment
16 creditors Gray and Fanter for relief from stay.
17

18 IT IS SO ORDERED this 31st day of May 2024.
19
20

21 
22 _____
23 RAMONA V. MANGLONA
24 Chief Judge
25
26
27
28